

HOUSE BILL No. 1657

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3; IC 14-8-2; IC 14-23; IC 25-36.5-1.

Synopsis: Forestry issues. Provides deductions to an individual in determining adjusted gross income for a taxable year for: (1) expenses incurred by the individual for property taxes imposed on property assessed as native forest land or a forest plantation; (2) expenses incurred by the individual for fees for the management of forests located on property assessed as native forest land or a forest plantation; (3) 50% of the part of federal adjusted gross income attributable to a net long term capital gain derived from the sale of timber; and (4) charitable contributions of property assessed as native forest land or a forest plantation. Authorizes the department of agriculture to develop a forest legacy award program to recognize families and organizations that have preserved forested land in Indiana for extensive periods of time. Requires the department of natural resources to: (1) implement an educational program concerning sustainable forests; and (2) maintain an inventory of forests. Establishes the forest stewardship fund. Establishes the forestry best management practices board. Requires loggers to use best management practices. Establishes penalties for not using best management practices or abating water pollution while harvesting timber. Requires the owner of timber land to register with the department 30 days before harvesting timber. Requires loggers to be licensed and to complete a master logger program and continuing education. Requires each timber harvesting site to have a licensed logger.

Effective: July 1, 2007; January 1, 2008.

Denbo

January 23, 2007, read first time and referred to Committee on Natural Resources.

C
o
p
y



Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1657

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-1-3.5, AS AMENDED BY P.L.246-2005,
2 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008]: Sec. 3.5. When used in this article, the term
4 "adjusted gross income" shall mean the following:

5 (a) In the case of all individuals, "adjusted gross income" (as
6 defined in Section 62 of the Internal Revenue Code), modified as
7 follows:

8 (1) Subtract income that is exempt from taxation under this article
9 by the Constitution and statutes of the United States.

10 (2) Add an amount equal to any deduction or deductions allowed
11 or allowable pursuant to Section 62 of the Internal Revenue Code
12 for taxes based on or measured by income and levied at the state
13 level by any state of the United States.

14 (3) Subtract one thousand dollars (\$1,000), or in the case of a
15 joint return filed by a husband and wife, subtract for each spouse
16 one thousand dollars (\$1,000).

17 (4) Subtract one thousand dollars (\$1,000) for:



C
o
p
y

- 1 (A) each of the exemptions provided by Section 151(c) of the
 2 Internal Revenue Code;
 3 (B) each additional amount allowable under Section 63(f) of
 4 the Internal Revenue Code; and
 5 (C) the spouse of the taxpayer if a separate return is made by
 6 the taxpayer and if the spouse, for the calendar year in which
 7 the taxable year of the taxpayer begins, has no gross income
 8 and is not the dependent of another taxpayer.
- 9 (5) Subtract:
- 10 (A) one thousand five hundred dollars (\$1,500) for each of the
 11 exemptions allowed under Section 151(c)(1)(B) of the Internal
 12 Revenue Code for taxable years beginning after December 31,
 13 1996; and
 14 (B) five hundred dollars (\$500) for each additional amount
 15 allowable under Section 63(f)(1) of the Internal Revenue Code
 16 if the adjusted gross income of the taxpayer, or the taxpayer
 17 and the taxpayer's spouse in the case of a joint return, is less
 18 than forty thousand dollars (\$40,000).
- 19 This amount is in addition to the amount subtracted under
 20 subdivision (4).
- 21 (6) Subtract an amount equal to the lesser of:
- 22 (A) that part of the individual's adjusted gross income (as
 23 defined in Section 62 of the Internal Revenue Code) for that
 24 taxable year that is subject to a tax that is imposed by a
 25 political subdivision of another state and that is imposed on or
 26 measured by income; or
 27 (B) two thousand dollars (\$2,000).
- 28 (7) Add an amount equal to the total capital gain portion of a
 29 lump sum distribution (as defined in Section 402(e)(4)(D) of the
 30 Internal Revenue Code) if the lump sum distribution is received
 31 by the individual during the taxable year and if the capital gain
 32 portion of the distribution is taxed in the manner provided in
 33 Section 402 of the Internal Revenue Code.
- 34 (8) Subtract any amounts included in federal adjusted gross
 35 income under Section 111 of the Internal Revenue Code as a
 36 recovery of items previously deducted as an itemized deduction
 37 from adjusted gross income.
- 38 (9) Subtract any amounts included in federal adjusted gross
 39 income under the Internal Revenue Code which amounts were
 40 received by the individual as supplemental railroad retirement
 41 annuities under 45 U.S.C. 231 and which are not deductible under
 42 subdivision (1).

C
o
p
y



(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

**C
o
p
y**



(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) Subtract the sum of any deductions to which a taxpayer is entitled under IC 6-3-2-21 through IC 6-3-2-24.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted

C
o
p
y



gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income

C
o
p
y



that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in

C
o
p
y



service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been

C
o
p
y



computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500).

SECTION 2. IC 6-3-2-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 21. (a) Except as provided in subsection (b), an individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year in an amount equal to the property taxes paid or accrued by the individual during the taxable year on property assessed under IC 6-1.1-6 as native forest land or a forest plantation.**

(b) The deduction described in subsection (a) is allowable only to the extent that the individual has not subtracted the deduction described in subsection (a) from federal gross income in calculating the individual's federal adjusted gross income for the taxable year.

SECTION 3. IC 6-3-2-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 22. (a) Except as provided in subsection**

C
o
p
y



(b), an individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year in an amount equal to expenses paid or accrued by the individual during the taxable year for the management of a forest located on property assessed under IC 6-1.1-6 as native forest land or a forest plantation.

(b) The deduction described in subsection (a) is allowable only to the extent that the individual has not subtracted the deduction described in subsection (a) from federal gross income in calculating the individual's federal adjusted gross income for the taxable year.

SECTION 4. IC 6-3-2-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 23. (a)** As used in this section, "net long term capital gain" has the meaning set forth in Section 1222(7) of the Internal Revenue Code.

(b) An individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year with respect to the part of the individual's federal adjusted gross income attributable to the individual's net long term capital gain on the sale of timber during the taxable year, in an amount determined under subsection (c).

(c) The amount of the deduction described in subsection (b) for a taxable year is:

- (1) the part of the individual's federal adjusted gross income attributable to a net long term capital gain on the sale of timber during the taxable year; multiplied by
- (2) fifty percent (50%).

SECTION 5. IC 6-3-2-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 24.** An individual is entitled to a deduction in determining the individual's adjusted gross income for a taxable year for a charitable contribution of property assessed under IC 6-1.1-6 as native forest land or a forest plantation to the same extent the charitable contribution is allowed as a deduction to the individual for the taxable year under Section 170 of the Internal Revenue Code.

SECTION 6. IC 14-8-2-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 24.** "Board" has the following meaning:

- (1) For purposes of IC 14-23-4.5-3, the forestry best management practices board.
- (†) (2) For purposes of IC 14-27-6, the meaning set forth in

C
o
p
y



1 IC 14-27-6-2.

2 ~~(2)~~ (3) For purposes of IC 14-32, the soil conservation board
3 established by IC 14-32-2-1.

4 ~~(3)~~ (4) For purposes of IC 14-33, the board of directors of a
5 conservancy district.

6 SECTION 7. IC 14-8-2-107, AS AMENDED BY P.L.1-2006,
7 SECTION 208, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2007]: Sec. 107. "Fund" has the following
9 meaning:

10 (1) For purposes of IC 14-9-5, the meaning set forth in
11 IC 14-9-5-1.

12 (2) For purposes of IC 14-9-8-21, the meaning set forth in
13 IC 14-9-8-21.

14 (3) For purposes of IC 14-9-8-21.5, the meaning set forth in
15 IC 14-9-8-21.5.

16 (4) For purposes of IC 14-9-9, the meaning set forth in
17 IC 14-9-9-3.

18 (5) For purposes of IC 14-12-1, the meaning set forth in
19 IC 14-12-1-1.

20 (6) For purposes of IC 14-12-2, the meaning set forth in
21 IC 14-12-2-2.

22 (7) For purposes of IC 14-12-3, the meaning set forth in
23 IC 14-12-3-2.

24 (8) For purposes of IC 14-13-1, the meaning set forth in
25 IC 14-13-1-2.

26 (9) For purposes of IC 14-13-2, the meaning set forth in
27 IC 14-13-2-3.

28 (10) For purposes of IC 14-16-1, the meaning set forth in
29 IC 14-16-1-30.

30 (11) For purposes of IC 14-19-8, the meaning set forth in
31 IC 14-19-8-1.

32 (12) For purposes of IC 14-20-1, the meaning set forth in
33 IC 14-20-1-3.

34 (13) For purposes of IC 14-20-11, the meaning set forth in
35 IC 14-20-11-2.

36 (14) For purposes of IC 14-22-3, the meaning set forth in
37 IC 14-22-3-1.

38 (15) For purposes of IC 14-22-4, the meaning set forth in
39 IC 14-22-4-1.

40 (16) For purposes of IC 14-22-5, the meaning set forth in
41 IC 14-22-5-1.

42 (17) For purposes of IC 14-22-8, the meaning set forth in

C
o
p
y



- 1 IC 14-22-8-1.
 2 (18) For purposes of IC 14-22-34, the meaning set forth in
 3 IC 14-22-34-2.
 4 (19) For purposes of IC 14-23-3, the meaning set forth in
 5 IC 14-23-3-1.
 6 **(20) For purposes of IC 14-23-3.5, the meaning set forth in**
 7 **IC 14-23-3.5-1.**
 8 ~~(20)~~ **(21)** For purposes of IC 14-24-4.5, the meaning set forth in
 9 IC 14-24-4.5-2(5).
 10 ~~(21)~~ **(22)** For purposes of IC 14-25-2-4, the meaning set forth in
 11 IC 14-25-2-4.
 12 ~~(22)~~ **(23)** For purposes of IC 14-25-10, the meaning set forth in
 13 IC 14-25-10-1.
 14 ~~(23)~~ **(24)** For purposes of IC 14-25-11-19, the meaning set forth
 15 in IC 14-25-11-19.
 16 ~~(24)~~ **(25)** For purposes of IC 14-25.5, the meaning set forth in
 17 IC 14-25.5-1-3.
 18 ~~(25)~~ **(26)** For purposes of IC 14-28-5, the meaning set forth in
 19 IC 14-28-5-2.
 20 ~~(26)~~ **(27)** For purposes of IC 14-31-2, the meaning set forth in
 21 IC 14-31-2-5.
 22 ~~(27)~~ **(28)** For purposes of IC 14-25-12, the meaning set forth in
 23 IC 14-25-12-1.
 24 ~~(28)~~ **(29)** For purposes of IC 14-32-8, the meaning set forth in
 25 IC 14-32-8-1.
 26 ~~(29)~~ **(30)** For purposes of IC 14-33-14, the meaning set forth in
 27 IC 14-33-14-3.
 28 ~~(30)~~ **(31)** For purposes of IC 14-33-21, the meaning set forth in
 29 IC 14-33-21-1.
 30 ~~(31)~~ **(32)** For purposes of IC 14-34-6-15, the meaning set forth in
 31 IC 14-34-6-15.
 32 ~~(32)~~ **(33)** For purposes of IC 14-34-14, the meaning set forth in
 33 IC 14-34-14-1.
 34 ~~(33)~~ **(34)** For purposes of IC 14-37-10, the meaning set forth in
 35 IC 14-37-10-1.

36 SECTION 8. IC 14-8-2-157.1 IS ADDED TO THE INDIANA
 37 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2007]: **Sec. 157.1. "Logger", for purposes of**
 39 **IC 14-23-4.5, has the meaning set forth in IC 14-23-4.5-1.**

40 SECTION 9. IC 14-8-2-281.3 IS ADDED TO THE INDIANA
 41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2007]: **Sec. 281.3. "Timber", for purposes of**

C
o
p
y



1 IC 14-23-4.5, has the meaning set forth in IC 14-23-4.5-2.

2 SECTION 10. IC 14-23-1-2 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2007]: Sec. 2. (a) The department shall establish an information
5 and education program for the following purposes:

6 (1) To develop public awareness of the importance of the
7 forests of Indiana.

8 (2) To promote forest stewardship and sound forest utilization
9 practices by private woodland owners and the forest industry.

10 (3) To coordinate with other agencies and organizations to
11 assure effective long term forest conservation programs.

12 (b) The department shall implement an education program that
13 emphasizes sustainable forests and the full range of economic,
14 ecological, and social opportunities provided by privately owned
15 forests by:

16 (1) sponsoring field days that enable individual woodland
17 owners to recognize and resolve problems that are
18 encountered in dealing with woodland resources;

19 (2) developing demonstration programs involving forests and
20 management of forest ecosystems, including urban forests;

21 (3) developing and implementing programs that give special
22 attention to educational needs of small, private, nonindustrial
23 forest landowners; and

24 (4) supporting the Purdue University cooperative extension
25 service in promoting and conducting technology transfer
26 education programs specifically for woodland owners.

27 SECTION 11. IC 14-23-2-3 IS ADDED TO THE INDIANA CODE
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
29 1, 2007]: Sec. 3. (a) The department shall maintain an inventory of
30 the forests in Indiana and prepare a report on the status of
31 Indiana's forests on a biennial basis. The report must include
32 information on the following:

33 (1) Timber growth and removal.

34 (2) Commercial species composition.

35 (3) Market information.

36 (4) Forest health.

37 (5) Industry activity.

38 The department shall cooperate with the United States Forest
39 Service in carrying out the requirements of this subsection.

40 (b) The department shall include the following means to obtain
41 data required for the report in subsection (a):

42 (1) Develop and implement annual surveys of mills,

C
o
p
y



landowners, timber buyers, loggers, and other appropriate entities to determine levels of timber harvesting and timber and log prices.

(2) Use geographic information system (GIS) technology to ensure coordination with statewide GIS efforts.

(3) Use at least five (5) crews of two (2) persons to perform annual data collection.

SECTION 12. IC 14-23-3.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 3.5. Forest Stewardship Incentives Fund

Sec. 1. As used in this chapter, "fund" refers to the forest stewardship incentives fund established by section 2(a) of this chapter.

Sec. 2. (a) The forest stewardship incentives fund is established. The department shall administer the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 3. The department may expend the money in the fund for cost share programs that provide financial assistance to landowners for the development of stewardship plans and stewardship practices, which may include the following:

(1) Reforestation and the conversion of land to forest land.

(2) Forest improvement.

(3) Soil and water protection and improvement.

(4) Riparian and wetland protection and improvement.

(5) Wildlife habitat improvement and permanent repopulation of wildlife.

(6) Forest recreation enhancement.

SECTION 13. IC 14-23-4.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 4.5. Forestry Practices

Sec. 1. As used in this chapter, "logger" means a person who harvests timber for commercial purposes.

Sec. 2. (a) As used in this chapter, "timber" means trees, standing or felled, and logs that can be used for sawing or processing into lumber for building or structural purposes or for the manufacture of any article.

(b) The term does not include firewood, Christmas trees, fruit

C
o
p
y



1 or ornamental trees, or wood products not used or to be used for
2 building, structural, manufacturing, or processing purposes.

3 Sec. 3 (a) The forestry best management practices board is
4 established.

5 (b) The board consists of thirteen (13) members for the purpose
6 of advising the department concerning the following:

7 (1) Updating Indiana's forest practice guidelines for water
8 quality management.

9 (2) The department's rules regarding timber harvesting
10 operations.

11 (3) The implementation of the department's forestry best
12 management practices and timber harvesting operations
13 rules.

14 (c) The department shall provide administrative assistance to
15 the board.

16 (d) The governor shall appoint members to the board
17 representing the following:

18 (1) Five (5) members who are farmers or woodland owners
19 with at least fifty (50) acres of woodland and who are actively
20 engaged in woodland management as follows:

21 (A) One (1) member from a list of three (3) persons
22 nominated by the Indiana Forestry and Woodland Owners
23 Association.

24 (B) One (1) member from a list of three (3) persons
25 nominated by the department of agriculture established by
26 IC 15-9-2-1.

27 (C) One (1) member from a list of three (3) persons
28 nominated by the Indiana Farm Bureau .

29 (D) Two (2) members shall be farmers at large.

30 (2) One (1) logger licensed under IC 25-36.5.

31 (3) One (1) member who is a faculty member of the Purdue
32 University forestry program.

33 (4) One (1) member of the division of forestry.

34 (5) Three (3) members of an Indiana wood industry.

35 (6) Two (2) members at large who are woodland owners.

36 (e) The term of a board member is four (4) years. Members may
37 not be appointed to more than two (2) full consecutive terms.

38 (f) The members shall annually select the chairperson from
39 among the members of the board. The board shall meet at the call
40 of the chairperson.

41 (g) The board shall review existing forestry best management
42 practices rules and conduct periodic reviews for rewriting the best

C
o
p
y



1 management practices rules not more than every five (5) years.

2 (h) The board shall oversee implementation of best management
3 practices education and enforcement by the department.

4 (i) The board shall meet at least once a year.

5 Sec. 4. (a) Beginning July 1, 2009, a logger engaged in any
6 timber harvesting operation shall use appropriate best
7 management practices as developed by the department.

8 (b) A logger may not harvest timber in a manner that is causing
9 or is likely to cause water pollution (as defined by IC 13-11-2-260).

10 (c) If the department determines that a logger engaged in timber
11 harvesting operations has failed to use the appropriate best
12 management practices or is causing water pollution, the
13 department shall give the logger a written warning of the facts
14 alleged to constitute the failure to use the best management
15 practice or to cause the water pollution, and a reasonable period
16 for abatement and compliance.

17 (d) If, after the time for abatement in the written warning, the
18 department determines that the logger has failed to implement the
19 appropriate best management practices or has failed to abate the
20 water pollution, the logger will be provided an opportunity for an
21 informal conference with the district forester. After the
22 opportunity for an informal conference, if the department
23 determines that the logger has failed to implement the appropriate
24 best management practices or has failed to abate the water
25 pollution, the department shall issue a notice of violation stating
26 the best management practice that the logger has failed to
27 implement or the facts alleged to constitute the water pollution,
28 and order the logger to implement corrective measures within a
29 specified time.

30 (e) If, after the issuance of a notice of violation, the logger fails
31 to implement the best management practice or corrective measures
32 within the specified time, the department shall issue an order
33 requiring the logger to immediately implement the best
34 management practice or the corrective measures. The department
35 may also order the logger to cease all or a part of the timber
36 harvesting operation constituting the violation. If the department
37 issues an order, the logger shall cease all or a part of the timber
38 harvesting operation, until an inspection determines that the
39 violation has been abated. At the time the order is issued, the
40 department shall notify the logger of the opportunity for an
41 administrative hearing under IC 4-21.5-3 conducted by an
42 administrative law judge for the commission, to be held within five

C
o
p
y



(5) business days of the receipt of a written request made by the logger. The determination of the administrative law judge is a final agency action under IC 4-21.5-1-6.

(f) If the department finds that a logger is conducting any timber harvesting operations in a manner that is causing or is likely to cause water pollution that is presenting or is likely to present an imminent and substantial danger to the public health, safety, or welfare, or to the health of animals, fish, or aquatic life, or to a public water supply, or to recreational, commercial, agricultural, or industrial uses, the department may issue a temporary order directing the logger to immediately cease the activity and implement corrective measures within a reasonable time, and the logger shall immediately cease the activity and implement corrective measures. A proceeding by the department under subsection (c), (d), or (e) does not preclude the department from issuing a temporary order under this subsection.

(g) Notification under this section shall be sent by certified mail, return receipt requested, to the last known address of the logger or by hand delivery by the department.

(h) If the logger fails or refuses to cease activity or to comply with and implement the best management practices or corrective measures in an order issued under subsection (e) or fails to cease activity and implement corrective measures in a temporary order under subsection (f), unless the specified time for compliance is extended by the department, the logger is noncompliant and is subject to civil penalties under section 6 of this chapter after an opportunity for a hearing under section 5 of this chapter.

Sec. 5. (a) If a logger is noncompliant under section 4(h) of this chapter, the department shall serve written notice of the noncompliance and the provision alleged to have been violated, and the department shall require the logger to answer the charges at an administrative hearing to be held not less than twenty-one (21) days after the date of the notice, unless the logger waives the twenty-one (21) day period.

(b) All administrative hearings under this chapter shall be conducted under IC 4-21.5-3. Appeals may be taken from all final orders.

Sec. 6. (a) A logger who violates section 4 of this chapter may, after an opportunity for an administrative hearing under section 5 of this chapter, be assessed a civil penalty by the department not to exceed one thousand dollars (\$1,000) for each violation. In determining the amount of the penalty, consideration shall be given

**C
o
p
y**



to the following:

- (1) The logger's history of noncompliance.
- (2) The seriousness of the violation and any damage caused, including any irreparable harm to the environment or hazard to public health or safety or the health and safety of animals, fish, or aquatic life.
- (3) Whether the conduct was intentional or negligent.
- (4) The percentage of fault attributed to the logger when considering the fault of all persons who caused or contributed to cause the harm.
- (5) The demonstrated good faith in remedying the pollution.

(b) All civil penalties collected under this chapter shall be deposited in the forest stewardship incentives fund established by IC 14-23-3.5-2.

Sec. 7. (a) Thirty (30) days before timber may be harvested, the owner of the land that contains the timber to be harvested must register with the department and provide the following information on a form provided by the department:

- (1) The name and address of the owner.
- (2) The name of the logger and timber buyer involved in the harvest and purchase of the timber.
- (3) The physical location of the timber.
- (4) The total number of acres of timber to be harvested.

(b) The registration form must be submitted with a fifty dollar (\$50) registration fee.

(c) Fees collected under this section shall be deposited in the forest stewardship incentives fund established by IC 14-23-3.5-2.

Sec. 8. The department shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 14. IC 25-36.5-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter:

"Person" means an individual, partnership, firm, association, business trust, limited liability company, or corporation.

"Timber" means trees, standing or felled, and logs which can be used for sawing or processing into lumber for building or structural purposes or for the manufacture of any article. "Timber" does not include firewood, Christmas trees, fruit or ornamental trees, or wood products not used or to be used for building, structural, manufacturing, or processing purposes.

"Timber buyer" means a person engaged in the business of buying timber from timber growers for sawing into lumber, processing, or

C
o
p
y



1 resale, but does not include a person who occasionally purchases
2 timber for sawing or processing for his own use and not for resale.

3 "Timber grower" means the owner, tenant, or operator of land in this
4 state who has an interest in, or is entitled to receive any part of the
5 proceeds from, the sale of timber grown in this state and includes
6 persons exercising lawful authority to sell timber for a timber grower.

7 "Department" means the department of natural resources.

8 "Director" means the director of the department of natural resources.

9 "Agent" means an individual who represents a timber buyer in
10 effecting or attempting to effect purchases of timber.

11 "Buying" means acquiring an interest in property by the payment of
12 a price, value, or other consideration.

13 **"Licensed logger" means a person who harvests timber for**
14 **commercial purposes and has a license issued under section 6 of**
15 **this chapter.**

16 **"Logger" means a person who harvests timber for commercial**
17 **purposes.**

18 SECTION 15. IC 25-36.5-1-2.5 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2007]: **Sec. 2.5. (a) Beginning July 1, 2009, a**
21 **person may not act as a logger unless the person has a logger's**
22 **license from the department or is exempt under this chapter.**

23 **(b) A person who applies for a logger's license must complete a**
24 **application on a form supplied by the department that contains the**
25 **following information:**

26 **(1) The applicant's name, phone number, and address.**

27 **(2) The aggregate value of timber harvested the previous year,**
28 **or if the applicant has not harvested timber the previous year,**
29 **the value of the timber the applicant expects to harvest.**

30 **(3) Any other information required by the department.**

31 SECTION 16. IC 25-36.5-1-3 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3. (a) Every person**
33 **registered as a timber buyer or licensed as a logger shall file with the**
34 **department an effective surety bond issued by a corporate surety**
35 **authorized to engage in the business of executing surety bonds in**
36 **Indiana.**

37 **(b) Instead of the bond required by subsection (a), the department**
38 **may accept security in cash or a certificate of deposit under terms**
39 **established by rule.**

40 **(c) The security required under subsection (a) or (b) shall be made**
41 **payable upon demand to the director, subject to this chapter, for the use**
42 **and benefit of the people of Indiana and for the use and benefit of any**

C
o
p
y



timber grower from whom:

(1) the ~~applicant~~ **timber buyer** purchased; or

(2) **the logger has harvested**; and

who is not paid by the ~~applicant~~ **timber buyer** or for the use and benefit of any timber grower whose timber has been cut by the ~~applicant or registrant logger~~ or **his the logger's** agents, and who has not been paid ~~therefor~~ **for the timber**.

(d) The security required under subsection (a) or (b) shall be in the principal amount of two thousand dollars (\$2,000) for ~~an applicant a~~ **timber buyer** who paid timber growers five thousand dollars (\$5,000) or less for timber during the immediate preceding year, and an additional one hundred dollars (\$100) for each additional one thousand dollars (\$1,000) or fraction thereof paid to timber growers for timber purchased during the preceding year, but ~~that the bond may~~ not be more than twenty thousand dollars (\$20,000). In the case of an applicant not previously engaged in business as a timber buyer, the amount of ~~such the~~ bond shall be based on the estimated dollar amount to be paid by ~~such the~~ timber buyer to timber growers for timber purchased during the next succeeding year, as set forth in the application **under section 2 of this chapter**.

(e) **The security required under subsection (a) or (b) for a logger shall be in the principal amount of two thousand dollars (\$2,000) for an applicant timber logger who harvested timber valued at five thousand dollars (\$5,000) or less during the immediately preceding year, and an additional one hundred dollars (\$100) for each additional one thousand dollars (\$1,000) or fraction thereof value of timber harvested during the preceding year. However the surety bond may not be more than twenty thousand dollars (\$20,000). In the case of an applicant not previously engaged in business as a logger, the amount of the bond shall be based on the estimated dollar value of timber expected to be harvested during the next succeeding year, as set forth in the application under section 2.5 of this chapter.**

~~(e)~~ (f) The security required under subsection (a) or (b) shall not be cancelled or altered during the period for which the certificate to the applicant was issued except upon at least sixty (60) days notice in writing to the department.

~~(f)~~ (g) Security shall be in ~~such a~~ form **and** contain ~~such the~~ terms and conditions as may be approved from time to time by the director, be conditioned to:

(1) secure an honest cutting **by the logger** and accounting for timber purchased by the ~~registrant~~ **timber buyer**;

C
o
p
y



- (2) secure payment to the timber growers; and
 (3) insure the timber growers against all fraudulent acts of the
~~registrant timber buyer and logger~~ in the purchase and cutting
 of the timber of this state.

~~(g)~~ (h) If:

- (1) a timber buyer fails to pay when due any amount due a timber
 grower for timber purchased; ~~or~~
 (2) a **logger** fails to pay legally determined damages for timber
 wrongfully cut by a ~~timber buyer logger~~ or ~~his~~ the **logger's** agent;
 or
 (3) a **timber buyer or logger** commits any violation of this
 chapter;

an adjudicative proceeding on the bond for forfeiture may be
 commenced, and notice of the proceeding shall be provided, under
 IC 4-21.5-3-6. A surety or person in possession of the security provided
 under subsection (a) or (b) is entitled to notification of the proceeding.
 If a final agency action is entered by the department under this
 subsection against the timber buyer **or logger** the surety or other
 person in possession of the security shall deliver the amount of the
 security identified in the order. A proceeding for forfeiture of a timber
 buyer's **or logger's** bond under IC 4-21.5 is the exclusive remedy under
 law for the forfeiture of the bond.

~~(h)~~ (i) An owner of property seeking a preliminary injunction or
 restraining order against a person, corporation, or other entity to
 prevent or stop the wrongful cutting of timber on the owner's property
 is relieved of the requirement to post a bond or other security with the
 court as a prerequisite to the issuance of the preliminary injunction or
 restraining order. However, this subsection does not apply to a property
 owner who seeks a preliminary injunction or restraining order to
 prevent or stop alleged wrongful cutting by a ~~timber cutter logger~~ or
 timber buyer with whom the property owner had contracted for the
 cutting or sale of timber.

SECTION 17. IC 25-36.5-1-3.2 IS AMENDED TO READ AS
 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3.2. (a) This section
 refers to an adjudicative proceeding against:

- (1) a timber buyer; or
 (2) a person who cuts timber but is not a timber buyer (referred to
 as a "timber cutter" in this section): **logger**.

(b) The department may under IC 4-21.5-3-8 commence a
 proceeding against a timber buyer or a ~~timber cutter logger~~ if there is
 reason to believe that:

- (1) the timber buyer or ~~timber cutter logger~~ has acquired timber

C
o
p
y



from a timber grower under a written contract for the sale of the timber without payment having been made to the timber grower as specified in the contract; or

(2) if:

(A) there is no written contract for the sale of the timber; or

(B) there is a written contract for the sale of the timber but the contract does not set forth the purchase price for the timber; the timber buyer or ~~timber cutter~~ **logger** has cut timber or acquired timber from the timber grower without payment having been made to the timber grower equal to the value of the timber as determined under IC 26-1-2.

(c) A proceeding may be commenced under this section at the request of a timber grower.

(d) The necessary parties to a proceeding initiated under this section are:

(1) the timber grower; and

(2) the timber buyer or ~~timber cutter~~ **logger**.

(e) After the commencement of a proceeding under this section through the service of a complaint under IC 4-21.5-3-8, a party to the proceeding may move for the joinder of any of the following persons having a relationship to the site or subject of the complaint:

(1) The surety of the timber buyer.

(2) A timber buyer.

(3) A ~~timber cutter~~ **logger**.

(4) A landowner.

(5) An owner of land adjacent to the land from which the timber was cut.

(6) A consultant receiving a fee for services related to the timber.

(7) A land surveyor performing a minimum standard detail survey in Indiana under the requirements of the Indiana Society of Professional Land Surveyors and Indiana Land Association.

(8) The department of natural resources, if the department has a relationship to the site or subject of the complaint as a landowner or owner of adjacent land.

(f) The complaint served under IC 4-21.5-3-8 to commence a proceeding under this section may seek the following:

(1) Damages in compensation for damage actually resulting from the wrongful activities of a timber buyer or ~~timber cutter~~ **logger**.

(2) Damages equal to three (3) times the stumpage value of any timber that is wrongfully cut or appropriated without payment.

(g) Notwithstanding subsection (f), the liability on the surety bond of a ~~timber cutter~~ **logger** is limited to the value of any timber

C
O
P
Y



1 wrongfully cut or appropriated.

2 (h) A proceeding under this section is governed by IC 4-21.5.
3 Before a hearing is convened in the proceeding, a prehearing
4 conference shall be conducted to provide the parties with an
5 opportunity for settlement, including an opportunity for mediation.

6 (i) In determining the site for a hearing in a proceeding under this
7 section, the administrative law judge shall consider the convenience of
8 the parties.

9 (j) A final agency action in a proceeding under this section must
10 address all issues of damage and responsibility and, after the
11 completion of the opportunity for judicial review, may be enforced in
12 a civil proceeding as a judgment.

13 SECTION 18. IC 25-36.5-1-3.3 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2007]: IC 25-36.5-1-3.3 Sec. 3.3.

15 (a) If the amount realized by the department from a bond or security
16 forfeited under section ~~3(g)~~ **3(h)** of this chapter, after deducting
17 expenses incurred by the department in converting the bond or security
18 into money, is greater than the amount of the liability of the timber
19 buyer as determined under this chapter, the department shall pay the
20 excess to the timber buyer who furnished the bond or security.

21 (b) If the amount realized by the department from a bond or security
22 forfeited under section ~~3(g)~~ **3(h)** of this chapter, after deducting
23 expenses incurred by the department in converting the bond or security
24 into money, is less than the amount of liability of the timber buyer as
25 determined under this chapter, the timber buyer's registration may be
26 revoked.

27 SECTION 19. IC 25-36.5-1-6 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) If:

29 (1) the department is satisfied that the applicant has fulfilled the
30 requirements of this chapter for the issuance of a **timber buyer's**
31 registration certificate **or a logger's license;**

32 (2) the bond and sureties or bank certificate of deposit filed by the
33 applicant under section 3 of this chapter is approved; ~~and~~

34 **(3) an applicant for a logger's license has successfully**
35 **completed the master logger program described in section 19**
36 **of this chapter; and**

37 ~~(3)~~ **(4)** the director does not refuse to issue the registration
38 certificate to the applicant under section 4.9 of this chapter;

39 the department shall issue a registration certificate to ~~the~~ **a timber**
40 **buyer applicant or a license to a logger applicant.**

41 (b) The registrations **and licenses** issued shall be valid for a
42 calendar year and may be renewed annually.

C
o
p
y



(c) A copy of the registration certificate **and license** issued by the department shall be posted in the principal office of the registrant in this state. **However, a person who applies for renewal of a logger's license must complete twelve (12) hours of department approved continuing education every three (3) years.**

~~(c)~~ (d) Upon request for a certificate **or license** and payment of the fee, the department shall issue to the registrant:

(1) a certificate that a certificate of registration; **or**

(2) **a logger certificate that a license;**

has been granted and a bond filed as required by this chapter.

SECTION 20. IC 25-36.5-1-13.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 13.5. In addition to the other penalties prescribed by this chapter, the director may, under IC 4-21.5, impose a civil penalty on a person who violates this chapter. A civil penalty imposed under this section may not exceed the following limits:

(1) For engaging in business as a timber buyer without securing a registration certificate under this chapter, ten thousand dollars (\$10,000).

(2) For acting as the agent of a timber buyer without holding an agent's license under this chapter, ten thousand dollars (\$10,000).

(3) For engaging in business as a logger without securing a license under this chapter, ten thousand dollars (\$10,000).

~~(3)~~ (4) For other violations of this chapter, one thousand dollars (\$1,000).

SECTION 21. IC 25-36.5-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) An individual who acts as the agent of a timber buyer must have an agent's license and carry the agent's card that verifies the license.

(b) An agent's license may be granted only:

(1) to qualified individuals;

(2) at the written application of the timber buyer who the agent is to represent; and

(3) under that timber buyer's registration certificate.

(c) The application for an agent's license must contain the agent's full name, address, and other information as required by the department on forms supplied by the department. Each timber buyer is responsible for all of the agent's activities performed while acting under the timber buyer's registration certificate as they pertain to this chapter.

(d) An application fee of ~~ten fifty~~ dollars ~~(\$10)~~ **(\$50)** for each agent shall be charged for the license and agent's card. However, each timber buyer shall designate a qualified individual to be licensed as its

C
o
p
y



principal agent at no additional charge.

(e) An agent's license may be revoked by the department under IC 4-21.5 if the agent does not comply with this section.

(f) An agent may have a license to represent only one (1) timber buyer. However, upon surrendering the agent's card and license under one (1) timber buyer, an individual may be licensed as an agent of another timber buyer.

(g) A timber buyer may not be licensed as an agent except as the principal agent of that timber buyer.

(h) A timber buyer may not effect or attempt to effect a purchase except through an agent.

(i) A timber buyer may terminate an agency relationship by notifying in writing the agent and the department. Termination of an agency relationship revokes the agent's license.

(j) A person who acts as an agent without a license commits a Class B misdemeanor.

SECTION 22. IC 25-36.5-1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) The definitions set forth in IC 10-13-3 apply throughout this section.

(b) The department shall under IC 10-13-3-27(b) request and obtain the release of a limited criminal history from the state police department on each person who applies to the department under this chapter for the issuance of either of the following:

(1) A timber buyer registration certificate.

(2) A timber buyer agent's license.

(3) A logger license.

SECTION 23. IC 25-36.5-1-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 19. (a) Subject to IC 25-1-4, the natural resources commission shall develop and specify:**

(1) the education and training requirements for the master logger program;

(2) the requirements for continuing education for renewal of a logger's license; and

(3) procedures to approve institutions, organizations, and individuals to offer logger's continuing education.

(b) The natural resources commission may establish a basic fee for the master logger program that bears a reasonable relationship to the cost of training.

(c) The master logger program must include the following:

(1) A combination of eighteen (18) hours of classroom and field training made available in all geographical regions of

C
o
p
y



1 **Indiana.**

2 **(2) Curriculum in logging safety, sustainable forestry, harvest**
 3 **planning, and best management practices.**

4 **(d) The department shall:**

5 **(1) maintain a current list of all loggers who have successfully**
 6 **completed the master logger program and required**
 7 **continuing education; and**

8 **(2) make the list available to the public.**

9 **(e) Not later than July 1, 2009, each state park shall have on**
 10 **staff at least one (1) employee who has completed the master logger**
 11 **program.**

12 **SECTION 24. IC 25-36.5-1-20 IS ADDED TO THE INDIANA**
 13 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 14 **[EFFECTIVE JULY 1, 2007]: Sec. 20. (a) Except as provided in**
 15 **subsection (b), a person may not harvest timber for commercial**
 16 **purposes unless the person is a licensed logger.**

17 **(b) If the person is under the direct supervision of a licensed**
 18 **logger, a person may act as a logger without obtaining a license.**

19 **SECTION 25. [EFFECTIVE JULY 1, 2007] (a) The definitions in**
 20 **IC 14-23-4.5, as added by this act, apply to this SECTION.**

21 **(b) Notwithstanding 14-23-4.5-3, as added by this act, the**
 22 **members of the forestry best management practices board shall be**
 23 **appointed to initial terms as follows:**

24 **(1) Two (2) farmers or woodland owners who own at least**
 25 **fifty (50) acres of woodland and who are actively engaged in**
 26 **woodland management and one (1) at large woodland owner**
 27 **for a term of one (1) year.**

28 **(2) One (1) farmer or woodland owner who owns at least fifty**
 29 **(50) acres of woodland and who is actively engaged in**
 30 **woodland management, one (1) logger, one (1) member of the**
 31 **Indiana wood industry, and one (1) at large woodland owner**
 32 **for a term of two (2) years.**

33 **(3) One (1) farmer or woodland owner who owns at least fifty**
 34 **(50) acres of woodland and who is actively engaged in**
 35 **woodland management, one (1) faculty member of the Purdue**
 36 **University forestry program, and one (1) member of the**
 37 **Indiana wood industry for a term of three (3) years.**

38 **(4) One (1) farmer or woodland owner who owns at least fifty**
 39 **(50) acres of woodland and who is actively engaged in**
 40 **woodland management, one (1) member of the division of**
 41 **forestry, and one (1) member of the Indiana wood industry**
 42 **for a term of four (4) years.**

C
O
P
Y



1 (c) The initial terms of the board shall begin July 1, 2007.

2 (d) This SECTION expires July 1, 2012.

3 SECTION 26. [EFFECTIVE JULY 1, 2007] (a) The definitions in
4 IC 25-36.5 apply to this SECTION.

5 (b) Notwithstanding IC 25-36.5-1, as amended by this act, a
6 person is not:

7 (1) required to have a logger's license; or

8 (2) complete the master logger program;
9 before July 1, 2009, to harvest timber.

10 (c) This SECTION expires July 1, 2009.

11 SECTION 27. [EFFECTIVE JULY 1, 2007] The department of
12 agriculture is authorized and encouraged to develop a forest legacy
13 award program to recognize families and organizations that have
14 preserved forested land in Indiana for extensive periods, as
15 determined by the department of agriculture, in a manner similar
16 to the way in which the department of agriculture recognizes
17 families that have maintained farms in Indiana within the same
18 family under the Hoosier homestead award program.

19 SECTION 28. [EFFECTIVE JANUARY 1, 2008] (a) IC 6-3-1-3.5,
20 as amended by this act, applies only to taxable years beginning
21 after December 31, 2007.

22 (b) The following statutes, as added by this act, apply only to
23 taxable years beginning after December 31, 2007:

24 (1) IC 6-3-2-21.

25 (2) IC 6-3-2-22.

26 (3) IC 6-3-2-23.

27 (4) IC 6-3-2-24.

28 (c) This SECTION expires January 1, 2012.

C
o
p
y

